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(Original Signature of Member)

108TH CONGRESS
1ST SESSION

H. R. _____

IN THE HOUSE OF REPRESENTATIVES

Mr. OSE introduced the following bill; which was referred to the Committee
on _____

A BILL

To provide funding for port security enhancements, and for
other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Port Security Improve-
5 ments Act of 2003”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:



1 (1) After the tragic terrorist events of Sep-
2 tember 11, 2001, the Congress initially focused on
3 improving aviation security and, in November 2001,
4 passed the Aviation and Transportation Security Act
5 (Public Law 107-71). That Act provided deadlines
6 for specific enhancements in aviation security, in-
7 cluding for issuance of certain rules governing the
8 conduct of non-Federal parties.

9 (2) The Congress then turned its focus to im-
10 proving port security and, in November 2002,
11 passed the Maritime Transportation Security Act of
12 2002 (Public Law 107-295). That Act did not es-
13 tablish deadlines for specific enhancements in port
14 security. For example, there are no statutory dead-
15 lines for interim final rules on facility and vessel se-
16 curity and on civil penalties, nor for the rules on
17 transportation security cards.

18 (3) The United States maritime transportation
19 system includes more than 300 ports with more than
20 3,700 cargo and passenger terminals. The top 25
21 ports account for 98 percent of the more than
22 6,000,000 container shipments entering United
23 States ports yearly.

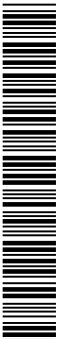
24 (4) The vast maritime transportation system is
25 particularly susceptible to terrorist attempts to



1 smuggle personnel, weapons of mass destruction, or
2 other dangerous materials into the United States. A
3 large-scale terrorist attack at a United States port
4 could not only cause widespread damage but also se-
5 riously affect the United States economy.

6 (5) The General Accounting Office found that,
7 during fiscal years 1999, 2000, and 2001, expendi-
8 tures by 13 Federal agencies for the maritime trans-
9 portation system averaged about \$3,900,000,000 per
10 year. Three agencies accounted for 93 percent of
11 these expenditures: the Corps of Engineers, the
12 Coast Guard, and the Customs Service. The cost of
13 Customs Service operations for fiscal years 1999,
14 2000, and 2001 was \$484,200,000, \$538,400,000,
15 and \$577,200,000, respectively.

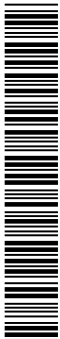
16 (6) During that same period, 11 Federal agen-
17 cies collected approximately \$1,000,000,000 each
18 year from maritime transportation system users. In
19 addition, customs duties levied on commodities im-
20 ported through the maritime transportation system
21 averaged approximately \$15,200,000,000 each year.
22 In comparison, custom duties levied on commodities
23 imported through the aviation transportation system
24 and highway transportation system averaged ap-



1 proximately \$3,700,000,000 and \$900,000,000 each
2 year, respectively.

3 (7) Many of the needed maritime transportation
4 security improvements will require costly outlays for
5 infrastructure, technology, and personnel. Before
6 September 11, 2001, the Interagency Commission
7 on Crime and Security in United States Seaports es-
8 timated that the cost of upgrading security infra-
9 structure at United States ports ranged from
10 \$10,000,000 to \$50,000,000 per port. These esti-
11 mates could increase dramatically due to new post-
12 September 11 security requirements. For example,
13 for the first \$93,300,000 of Federal grant funds for
14 port security made available in a supplemental ap-
15 propriations Act, the Federal Government received
16 grant applications for almost \$700,000,000. For the
17 second round of an expected \$105,000,000 of Fed-
18 eral grants with funds made available in such Act,
19 the Federal Government received applications for
20 \$997,000,000.

21 (8) In December 2002, the Coast Guard pub-
22 lished its “Cost analysis report for vessel, facility,
23 and port security” (Appendix C to the notice pub-
24 lished December 30, 2002 (67 Fed. Reg. 79742),
25 which included its estimates of first-year costs for



1 maritime transportation security improvements of
2 \$1,300,000,000, and 10-year costs for such improve-
3 ments of \$6,000,000,000.

4 **SEC. 3. FINANCING PORT SECURITY ENHANCEMENTS.**

5 (a) PORTION OF DUTIES COLLECTED AT PORTS.—

6 For each fiscal year, there shall be available to the Sec-
7 retary of Homeland Security for port security enhance-
8 ments at each port through which articles transported by
9 vessel are unladen for purposes of entering the customs
10 territory of the United States, 30 percent of the amount
11 by which duties collected during the preceding fiscal year
12 on such articles that so entered through that port exceed
13 port security costs incurred at that port during the pre-
14 ceding fiscal year.

15 (b) DEFINITIONS.—In this section—

16 (1) the term “port security enhancements”
17 means—

18 (A) administrative processing and associ-
19 ated services for increasing port security, in-
20 cluding administering the transportation secu-
21 rity cards (also known as the Transportation
22 Worker Identification Credential) issued under
23 section 70105 of title 46, United States Code,
24 including background checks and training;



1 (B) physical services (including inspections
2 of cruise passengers, cargo, and empty con-
3 tainers) and certifications;

4 (C) construction and maintenance, includ-
5 ing upgrades to security infrastructure; and

6 (D) miscellaneous services;

7 (2) the term “port security costs” means costs
8 incurred by the Federal Government for the mari-
9 time transportation system, including—

10 (A) administrative processing and associ-
11 ated services;

12 (B) physical services, including inspections
13 and certifications;

14 (C) construction and maintenance; and

15 (D) miscellaneous services; and

16 (3) the term “vessel” has the meaning given
17 that term in section 401 of the Tariff Act of 1930
18 (19 U.S.C. 1401).

19 (c) PERIOD OF APPLICATION.—Amounts shall be
20 available under subsection (a) only for the first five fiscal
21 years beginning after the date of the enactment of this
22 Act.



1 **SEC. 4. DEADLINE FOR TRANSPORTATION SECURITY CARD**
2 **REGULATIONS.**

3 Notwithstanding section 102 of the Maritime Trans-
4 portation Security Act of 2002 (Public Law 107–295; 116
5 Stat. 2085; 46 U.S.C. 70101 note), the Secretary of the
6 department in which the Coast Guard is operating—

7 (1) shall issue interim final regulations under
8 section 70105 of title 46, United States Code, by
9 not later than 6 months after the date of the enact-
10 ment of this Act; and

11 (2) shall issue final regulations under that sec-
12 tion by not later than 12 months after the date of
13 the enactment of this Act.

14 **SEC. 5. STANDARDIZATION OF SECURITY REQUIREMENTS**
15 **FOR PORTS, VESSELS AND FACILITIES.**

16 The Secretary of the department in which the Coast
17 Guard is operating shall issue regulations under section
18 70103 of title 46, United States Code, that establish a
19 national minimum set of standard security requirements
20 for—

21 (1) each port in the United States;

22 (2) each facility in a port in the United States;

23 and

24 (3) each vessel entering a United States port.

